(b) the requirements worked out and proposed by the defence forces to Government over the period of last three years and what has been the gap between these demands and actual grants released to the forces, year-wise; and

(c) the reasons for not acceding to these demands particularly keeping in view the fact of our not having good relations with Pakistan and China?

THE MINISTER OF DEFENCE (SHRI MULAYAM SINGH YADAV): (a) A statement is attached, *(see* below).

(b) and (c) The position during the last three years is as given below:

(Rs. in crores)

| Year | Expenditure |
|---|---|
| 1993-94 (Actuals) | 21845 |
| 1994-95 (Actuals) | 23245 |
| 1995-96 (RE) | 26879 |

The requirement of funds is estimated by the Ministry of Defence, in consultation with the Service Headquarters on the basis of anticipated, obligatory and contractual payments, regular and recurrent expenditure and new schemes under the ongoing modernisation programme of the Defence Services. The prevailing security environment and the current threat perception are taken into account. The requirement of funds is projected by the Ministry of Defence to the Ministry of Finance, which decides on the actual allocation for the year, keeping in view the overall availability of national resources, national security and the requirements of different sectors.

**Statement**

The Defence Expenditure as a percentage of Gross Domestic Product (GDP), as per published information* available for India, China, Pakistan and Bangladesh is given below:—

| Year | India | China | Pakistan | Bangladesh |
|---|---|---|---|---|
| 1990-91 | 2.90 | 5.42 | 7.16 | 1.54 |
| 1991-92 | 2.65 | 5.52 | 7.74 | 1.31 |
| 1992-93 | 2.46 | 5.20 | 7.45 | 1.50 |
| 1993-94 | 2.43 | 5.53 | 6.49 | 1.53 |
| 1994-95 | 2.53 | 5.63 | 6.88 | NA |

*(Source : Asian Strategic Review—1994-95)

**Indo-Russian arms deal**

13. SHRI K.R. MALKANI: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have seen the reports published in the Indian Express dated the 24th April, 1996 about the Indo-Russian $ 3.5 billion arms deal, including the 152-mm self-propelled gun, Sukhoi 30 combat aircraft etc.;

(b) if so, the current status of these negotiations; and

(c) the commitments and payments made therein?

THE MINISTER OF DEFENCE (SHRI MULAYAM SINGH YADAV): (a) Yes, Sir.

(b) and (c) Government is not aware of any arms deal, totalling US $ 3.5 bn, with Russia. In the interest of national security and bilateral relations details of negotiations, commitments, payments, etc. cannot be disclosed.